

## TRAFFORD COUNCIL

**Report to:** Employment Committee  
**Date:** 14<sup>th</sup> September 2015  
**Report for:** Information  
**Report of:** Lisa Hooley, Acting Director of HR

### Report Title

**JOINT VENTURE – STAFF TRANSFER TO AMEY**

### Recommendation

**It is recommended that the Employment Committee notes the content of this report and supports the continuation of effective employee relations across the Council.**

Relationship to Corporate Priorities	The actions set out in this report align with the council's Corporate Priorities with respect to 'Low Council Tax and Value for Money' and 'Reshaping Trafford Council'.
Financial	None
Legal Implications	The transfer of staff to Amey was undertaken in line with legislation, particularly the TUPE requirements, which protect contractual terms of employment.
Equality/Diversity Implications	An Equality Impact Assessment was undertaken as part of the transfer process.
Sustainability Implications	None
Staffing/E-Government/Asset Management Implications	Staff were transferred to Amey under the provisions of TUPE.
Risk Management Implications	The robust consultation and transition processes mitigate risks associated with the transfer out of staff.
Health and Safety Implications	None

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## **1.0 BACKGROUND**

- 1.1 During 2014, the Council undertook a procurement exercise in order to identify a partner to deliver its environmental and infrastructure services, via a Joint Venture arrangement.
- 1.2 In January 2015, the Council identified four providers who had submitted final bids and staff and trade union colleagues were invited to meet with all four bidders at a number of scheduled meetings. These meetings took place in February 2015.
- 1.3 Following a robust evaluation process, on 26 March 2015, the Council announced that Amey LG had been selected as the preferred bidder to manage its environmental and infrastructure services, for a contract period of 15 years.
- 1.4 The contract was finalised on 7<sup>th</sup> May 2015 with an agreed transfer date of 4<sup>th</sup> July 2015.

## **2.0 THE TRANSFER PROCESS**

- 2.1 In line with legal requirements, it was agreed that all staff in scope for transfer to Amey would be protected by the provisions of the Transfer of Undertakings and Protection of Employment regulations. Staff identified as being within scope included those working in street cleansing, grounds maintenance, highways services, bridges, traffic and transportation, road safety, street lighting and furniture, drainage, the let estate, corporate landlord services, capital development team and major projects teams.
- 2.2 In addition, staff working on the commercial and domestic waste contract, which was contracted out to Veolia, would also transfer to Amey. In total, it was identified that in the region of 250 Trafford staff and 100 Veolia staff would transfer out.
- 2.3 Immediately following contract sign-off on 7<sup>th</sup> May, Trafford and Amey worked in partnership to fully engage with both staff and the trade unions during an intensive period of mobilisation. This period of mobilisation ran until staff formally transferred across to Amey on 4<sup>th</sup> July 2015.
- 2.4 The engagement process to support staff transition to Amey was intensive and comprised the following actions:

#### 2.4.1 Trade Union Engagement

A period of collective consultation commenced on 11<sup>th</sup> May 2015. In addition to trade union representation from both GMB and Unison, these meetings were well attended by a wide range of representatives from both Amey and Trafford and included individuals representing senior management, HR and Elected Members.

The meetings were held on a fortnightly basis and provided an opportunity for effective dialogue between management and trade unions with respect to the transfer process, including the proposed measures submitted by Amey.

#### 2.4.2 Staff Engagement

During the mobilisation process, a significant amount of staff engagement took place. This engagement commenced with an initial letter to all staff, which was issued on 15<sup>th</sup> May 2015. This letter explained what would happen during the transition process, how staff could engage in the process and how they would be supported.

This letter was followed up by seven “Welcome to Amey” presentations, which took place on 21<sup>st</sup> and 22<sup>nd</sup> May 2015 at various sites across service areas. These events were jointly delivered by both Amey and Trafford staff and provided transferring staff with an introduction to Amey; they also provided staff with an opportunity to ask questions and raise any concerns that they had about the transition process.

Following on from the group sessions, staff were then invited to individual one-to-one meetings where they were given the opportunity to discuss the impact of the transfer on their role and to discuss any personal concerns that they may have had. These one-to-one meetings took place over a three week period and ran from the end of May to mid-June.

During the group and individual sessions, in excess of fifty frequently asked questions were captured and responded to; these responses were dealt with jointly, by both Trafford and Amey officers and were regularly updated and cascaded to transferring staff.

Throughout the remainder of the mobilisation period, further “TUPE journey” meetings were held with transferring staff to ensure that they were kept up to

date with the transition process; in addition, regular newsletters were issued to staff and a final letter of thanks was sent out from Trafford Council immediately prior to transfer.

In addition to the above actions, it should also be noted that throughout the mobilisation period, representatives from both Trafford and Amey were on site at the various locations in order to provide day to day support to staff and respond to any direct queries that were raised.

### **3.0 KEY MEASURES AND ISSUES**

3.1 The period of mobilisation provided for intensive and robust consultation, ensuring that staff received significant support to help them through the transition process.

3.2 As a result of this rigorous process, the number of issues was minimised. During the mobilisation process these were primarily limited to:

- Salary sacrifice schemes
- Change of pay date

With respect to salary sacrifice schemes such as the Home Technology Scheme and the Car Lease Scheme, Amey had identified as part of their measures that they would not be able to support these schemes. These matters were discussed at the consultation meetings with the trade unions and agreement was reached on an approach that the Council would take, which would minimise the adverse impact on staff, as far as this was possible. With respect to the Home Technology Scheme, around 20 staff in total were affected and they were given the option of entering into a repayment plan with the Council (post-transfer) to repay the net cost, thus giving them the benefit of the salary sacrifice savings. In terms of the car lease scheme, 4 employees were affected and, where there were early termination costs, it was made clear to staff that the Council would pick up these costs and that they would not fall to employees.

In relation to the change of pay dates, again, as part of their measures, Amey had indicated that they would be moving the pay date from 15<sup>th</sup> of the month to the 27<sup>th</sup> of the month, which would potentially have an adverse financial impact on staff. This was again discussed at the consultation meetings and staff were offered the opportunity to have a “bridging loan” from Amey to support them through the transition. It is understood that at least half the transferring staff took advantage of this support.

3.3 At the point of transfer, the outstanding issues were primarily limited to two matters:

- The transfer of the “Flexi-time” system

- Admitted Body Status for Amey

3.4 With respect to the “Flexi-time” system, Amey had indicated that they would not be able to honour the Council’s scheme on a formal basis, although they would adopt a flexible approach with staff at a local level. The trade unions raised strong opposition to this position at the collective consultation meetings as it was their view that this could have an adverse impact on a number of staff with caring responsibilities and that it could lead to inconsistency in approach, if it was dealt with at a local level and was ultimately at the discretion of a line manager. Following a lengthy dialogue, management and the trade unions were able to reach agreement via the collective consultation machinery and it was agreed that the scheme would transfer and would be honoured for an initial period of 3 months, after which it would be reviewed in light of any business impact. This outcome clearly demonstrated the value of collective consultation and its ability to enable both parties to reach agreement.

3.5 At the point of transfer, whilst Amey’s application to gain Admitted Body Status (ABS) from the Greater Manchester Pension Fund had been completed, there were a number of legal matters that needed to be finalised before ABS could be approved. This matter took longer than anticipated to be concluded and in the meantime, Amey did not deduct pension contributions from the transferred workforce for the month of July. Again, this caused significant concerns on the part of both staff and the trade unions, which were escalated to Trafford and Amey. Subsequent to these concerns being raised, it can now be confirmed that the admission meeting between Trafford Council, Amey and the Fund has now taken place and the Admission has been formally signed off under Council Seal. Moreover, pension deductions are now being made by Amey; these deductions commenced from August’s payroll and will be restrospected from the date of transfer to ensure that all contributions are up to date.

#### **4.0 CONCLUSION**

4.1 The transfer out of almost 250 Trafford Council staff to Amey was a significant piece of work; however, the robust consultation machinery that the Council has in place and the effective relationships that the Council has with its recognised trade unions means that this transition process was undertaken with minimal impact on employees.

4.2 The Employment Committee is asked to note the effective mechanisms and relationships that are in place and to support their continuation in the interests of good employee relations.